**Character Project:**

**LET’S HELP THREE PEOPLE - KIM, DARREL, AND HARPER**

I want to introduce you to three people—Kim, Darrel, and Harper—all of whom

are trying to USE money the best they can. With diverse lifestyles, each of

them faces different challenges. Kim,

Darrel, and Harper will be examples of how people use and misuse money at all stages of income.

As you read on you may say, “I don’t

make $100,000, let alone $150,000,

so how can these examples help me?”

They will show you that people making

a lot of money can be rich and broke at

the same time. They will empower you

with the knowledge that when you do begin to make more, the money habits you have created will maximize every opportunity that comes your way. So, do not look

at the numbers, rather see the lessons learned from each example.

Let’s meet Kim, Darrel, and Harper—everyday people, like you and me—who

are also figuring out what to do with their money. They all earn money, pay

taxes, and have goals, but let’s see who knows how to USE money?

**KIM: TEACHER MAKING $50,000**

Kim is a twenty-four-year-old second-grade teacher back in her hometown of

Pullman, Washington. She currently lives in an apartment down the street from

the school. Ever since she was little, she knew she wanted to be an elementary

school teacher.

With her income, Kim is renting an

apartment for $1,000 a month, has

bills (including debt) at a cost of $1,600

a month, and typically spends around

$1,000 a month on lifestyle choices.

She knows her rent and student loans

will be due every month and she tries

to subtract those payments mentally

before she begins to scroll online for new wardrobe accessories.

She just posted on social media that she is trying to save for a new car, but has

no idea how the process works to protect the car and herself once she buys it.

Kim wants to live comfortably and be financially free by age seventy.

**DARREL: DENTIST MAKING $100,000**

Darrel worked in his parents’ dental office one summer and decided to enter the family business by studying for his dental degree. Now, at twenty-eight, he dreams of one day taking the office over from his parents.

He sees that the office computer system

is out of date and at risk of being hacked or losing its data. To show his parents how responsible he is, Darrel begins to back up the office’s entire client information and accounting systems onto a separate drive.

Last year, Darrel bought a small boat to go out on Lake Mission Viejo, California.

Now, every sunny day that he can get away, he gases up Seas the Day and heads out onto the water to enjoy. The harbor where the boat is stored sends him a notice that he could pay off the annual storage for his boat in one payment which he considers putting on his credit card.

Darrel is making a salary of $100,000. He bought a home with his wife and two

kids about three years ago, and his total monthly debt payments are $2,300.

His other monthly bills are running at $2,000 a month, and his family typically

spends about $2,000 a month on their lifestyle.

Every paycheck, Darrel automatically puts money into his investment account

and a charitable account. Currently, he sees his 401(k) as a long-term investment

and holds mostly stock.

He is putting aside money for his kids’ college and worries that if something

were to happen to him—the sole earner in his family—the kids would not be

able to have the future he dreams of for them.

Darrel wants to be financially free by sixty-five and still live the boating life now.

**HARPER: TECH EXECUTIVE MAKING $150,000**

At twenty-five, Harper is currently a rising star at a fast-paced and hugely successful

tech company down in New Orleans. Her success did not come overnight—

she put herself through college, worked in the evenings, and has not only

been climbing up the corporate ladder, but she’s also getting out of debt.

With a salary of $150,000, Harper no doubt makes a ton of money, but gradually,

she has started to realize that she is not using it in the most efficient way.

She and her husband live in a home worth $1 million, which has a mortgage

of $4,000 a month. They then have payments for student loans, a boat, a car, and a vacation home, which add

up to another $2,500 a month. This is all before the family’s lifestyle spending for the month, which is typically

another $4,000 and always includes a trip to her favorite fancy restaurant.

Harper works very hard for her money and is the first to admit that she enjoys investing in experiences with her family.

Each year, her savings go toward several trips to their home in Palm Springs

and, even with the risks of traveling abroad, one luxurious vacation (at $20,000)

overseas. Last year, she didn’t have enough in her “tomorrow” account and paid

for most of the trip abroad on credit.

Being in the technology scene, Harper comes across very interesting investments

and buys ownership in one company at a time. She has recently been burned by

a few mistakes but made a ton of money on a startup a few years ago and is constantly

looking for the next home run. The other day, she received an email from

someone she didn’t know with an enticing offer. The email asked for her birthday

and social security number to create an account. Normally she would have

investigated this email, but being behind, she just quickly logged in to get it done.

However, the offer seemed too good to be true, so she clicked out of the account.

Harper has a reoccurring nightmare where she crashes her car into a light post

that falls and causes extensive damage. The thought of some accident taking away her family’s belongings keeps her awake at night, so she went out to get a minimum car insurance policy.

Harper doesn’t really know what the future holds. She sees herself grinding out

her gears at her company and then hoping to have enough saved to make the

traveling an early retirement lifestyle.

**Character Project**

Answer the following questions and give each character advice on how to USE Money!

**Chapter 1:**

Which of our three examples are following the Golden Rule?

A—Kim:

B—Darrel:

C—Harper:

**Chapter 2:**

Which type of ‘*OR* is each of our examples.

How much would they have if they invested 10% of their income for 35 yrs. at 8% growth? (Do not account for inflation or raises)

A—Kim:

B—Darrel:

C—Harper:

**Chapter 3:**

Write down a habit each person has and clearly identify each step of the habit cycle—cue-routine-reward.

Then identify one item for each character into the Money Bucket System.

A—Kim:

B—Darrel:

C—Harper:

**Chapter 4:**

What is one item that each person would place in a Today account? What about in a Tomorrow account?

A—Kim:

B—Darrel:

C—Harper:

**Chapter 5:**

Indicate whether you believe Kim, Darrel, and Harper should have used credit for these purchases and why.

A—Kim’s new wardrobe:

B—Darrel’s boat storage:

C—Harper’s luxury vacation:

**Chapter 6:**

Which style of investing listed below seems like it would fit Kim’s, Darrel’s, Harper’s risk style?

* Fifty-fifty percent portfolio of stock and bond
* One hundred percent stock mutual fund
* Single stock

**Chapter 7:**

Identify one type of risk that each person has that they could transfer.

Then explain what their minimum coverage should be if not 25/50/10?

A—Kim:

B—Darrel:

C—Harper:

**Chapter 8:**

What is a cybersecurity no-no, or a good way to fight the hackers, of each person?

A—Kim:

B—Darrel:

C—Harper:

**Chapter 9:**

Calculate how much each person will owe in Federal Income taxes if they each elect to take the standard deduction. (For now, don’t worry about allowances or exemptions.)

A—Kim:

B—Darrel:

C—Harper:

D—Are they all still living by the ***Golden Rule***?

**Chapter 10:**

Which investment account would achieve each person’s objectives?

A—Kim:

B—Darrel:

C—Harper: